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SUBJECT: MEDIA REACTION US AMBASSADOR TO BUENOS AIRES  
US-ARGENTINE RELATIONSHIP CHAVEZ IRAN MICELI TO  
WASHINGTON US-URUGUAYAN FTD AFTERMATH OF THE VISIT OF  
A/S THOMAS SHANNON TO BUENOS AIRES OUTCOME OF CHILEAN  
ELECTIONS 01/17/06

#### 11. SUMMARY STATEMENT

Weekend international stories include: Michele Bachelet winning Chilean presidential elections and considering relations with Argentina "strategic" for Chile; US President George W. Bush and German Chancellor Angela Merkel's joint statement to put mutual pressure on Iran in a bid to halt Tehran's nuclear ambitions; former Spanish President Felipe Gonzalez' statements that there is not such a tilt to the left in Latin America; Washington hindering the sale of Spanish airplanes to Venezuela; Argentine Ambassador to the US Jose Bordon's statement that the visit of A/S Shannon contributed to more visibility in the US-Argentine relationship; an alleged US military and technological blockade on Venezuelan President Hugo Chavez; and Argentine Ambassador to UN Csar Mayoral's statement that Argentina adopted the "wait and see" policy at the UN Security Council regarding possible sanctions on Iran due to the nuclear issue.

#### 12. OPINION PIECES AND KEY STORIES

- "No replacement for Gutierrez as US ambassador to Argentina has been decided"

Ana Baron, Washington-based correspondent for leading "Clarín," writes (01/15) "The replacement of a US ambassador to Argentina not only unleashes expectation in our country but also in Washington. And, obviously, the replacement of Lino Gutierrez is not an exception to the rule.

"Since last December there is an insistent rumor that current US Assistant Secretary for Economic and Business Affairs, Earl Anthony Wayne, will be appointed as such. But, according to a US source, while Wayne is the favorite at the US State Department, he has not received the White House's approval.

"According to a US diplomat, 'there must be some political candidate interested in the position that is lobbying to obtain it.'

"According to the US State Department's bio, Wayne was one of those who led the efforts to organize rescue packages for Argentina, Uruguay and Brazil.

Furthermore, Wayne has also contributed significantly to drafting and implementing the international energy policy, including the Western Hemisphere. He has also played a role in economic and trade liberalization negotiations.

"... Everything indicates that the White House has not OK'd Wayne... This means that Gutierrez is likely to stay longer in his position."

- "The US has a public and a private discourse on its ties with Argentina"

Ana Baron, Washington-based correspondent for leading "Clarín," writes (01/14) "It is not hard to find out that the Bush administration has currently a double discourse about the Kirchner administration. In public, it says that bilateral ties are excellent, and that the SOA was a success. In fact, this is what A/S Shannon said during his visit to Buenos Aires. However, in private, there is criticism of Kirchner inside the US State Department corridors. Many USG officials feel disappointed due to what happened at the SOA..."

"... Two former US ambassadors to Argentina, James Cheek and Manuel Rocha, said that today the US State Department has no choice. 'They cannot publicly recognize that the SOA was a failure.'"

"According to Rocha, 'Diplomats never say anything negative except when ties with a country start to break, and this has not happened yet.'"

- "Bush's blockade on Chavez will be the landmark of Brasilia summit"

Carlos Pagni, columnist of business-financial "Ambito Financiero," comments (01/17) "Perhaps, Nestor Kirchner will discover in Brazil the strategic sense of A/S Shannon's cordiality during his visit last Thursday. Kirchner will meet there with Lula... They will speak about the somewhat fictitious entry of Venezuela into Mercosur... However, the main topic of talks will be the USG decision to start a technological and military blockade on the Chavez administration."

"Last Friday, the US State Department made two important decisions... It vetoed the sale of Spanish and Brazilian airplanes to Caracas."

"... It is the first time the USG took into practice its so far rhetoric criticism of the Bolivarian regime."

- "While the White House is sleeping"

Daily-of-record "La Nación" carries an op-ed piece by writer Tomas Eloy Martinez, who opines (01/14) "... The new Latin American leaders no longer fear the US. When they rule, they think less of hurting Washington than of defending national interests."

"This creates confusion because what the US newspapers call left and right wing are simplifications of a much more complex reality."

"... However, Latin America's economic growth is high, and democracy is consolidated; it's not only what the US calls a shift to the left that is changing the atmosphere of the region. Conservative leaders (such as in Chile and Mexico) have also appeared and they will make others rethink national projects. At last,

George W. Bush's long nap, which is full of Babylonian and remote dreams, is letting Latin America find itself."

- "Iran: no need to panic"

Liberal, English-language "Buenos Aires Herald" carries an opinion piece by contributor Gwynne Dyer, who writes (01/16) "... The current US campaign to impose UN sanctions on Iran is doomed to fail, because Iran is not breaking the law. As a signatory of the NPT, it is fully entitled to develop nuclear power for peaceful purposes, including the technology for enriching uranium, even though that also takes it much of the way to a nuclear-weapons capability. In any case, it is practically unimaginable that all the veto-holding powers on the UN Security Council would agree to impose sanctions on a major oil-producer on the mere suspicion that it ultimately intends to break the law."

- "Miceli will receive Washington's criticism of price controls"

Martin Kanenguiser, economic columnist of daily-of-record "La Nacion," writes (01/16) "The criticism that Economy Minister Felisa Miceli will receive during her trip to the US will basically be focused on the sustained inflation increase and the trouble to capture long-term investment."

"US analysts and investors gladly note the strong Argentine growth but they are not very impressed by the payment of the debt to the IMF and they sway between disbelief and fear due to the strategy to fight inflation. This is why Miceli is expected to hear skeptical comments in Washington regarding price controls."

"For her part, Miceli will attempt to convince her interlocutors... that Argentina will maintain a high fiscal surplus as the best test of her conviction to put a brake on inflation."

- "Uruguay 'aspires' to US trade deal"

Liberal, English-language "Buenos Aires Herald" (01/14) "Uruguay aspires to a free-trade deal with the US but it will only be able to achieve this if it receives permission from its Mercosur partners and the US accepts to negotiate sensitive products, Uruguay's Foreign Minister Reinaldo Gargano said yesterday."

"'If the US eliminates the list of 300 sensitive products, why shouldn't I support a FTD that would enable us to enter a market as important as the US one with zero tariffs?' the minister said in a report published by the online edition of 'El Observador.'"

- "A new round with Washington?"

Eduardo van der Kooy, political columnist of leading "Clarín," comments (01/15) "... The White House has decided to focus its attention again on Nestor Kirchner based on scare rather than love. Not scare of Kirchner, but doubts about the future role to be played by his administration in a chaotic region that increasingly impairs US interests."

"Evo Morales is an unchangeable reality in Bolivia..."

"... According to diplomatic and military sources, there is an increase in Chilean military budget..."

"Perhaps, all this explains why Washington has again

focused its attention on Argentina. Brazil is a natural leader in the region, which Shannon did underscore, but its power seems insufficient to stabilize a chaotic region of the world. Our country should play a role in it, which Shannon told Kirchner."

- "Shannon loves me, loves me not"

Left-of-center "Pagina 12's" columnist Mario Wainfeld writes (01/15) "... The US idea that Argentina and Brazil should guarantee the regional stability surely does not sound the same South and North of Rio Bravo. Shannon, who is termed as 'the most 'dove' among hawks' by members of the Argentine foreign Minister, will go to La Paz and will surely congratulate the president-elect in his excellent Spanish. But, while in Argentina he did not deprive himself of commenting on his concern over an axis of the region..., which includes Hugo Chavez, Evo Morales, Ollanta Humala...

"... Fidel Castro has lost his number one public enemy role to the hands of the Venezuelan president."

- "Shannoningans in BA"

Martin Gambarotta, political columnist of liberal, English-language "Buenos Aires Herald," writes (01/15) "... The immediate impression to get from Shannon's visit is that the US is not interested in antagonizing Kirchner unless he deliberately wants to pick a real fight. Kirchner... has said nothing about the way Bush goes about dealing with things in Iraq - that makes Argentina acceptable visiting ground for Republicans...

"Shannon and the US senators said they were impressed by what can only be now described as sustained economic growth. Shannon urged Miceli to assure clear market rules to woo potential US investors."

- "End of pinochetism"

Claudio Uriarte, left-of-center "Pagina 12's" international analyst, writes (01/15) "These Chilean elections... are important because Chile has ended its 'normalization' process, and because the ghost of Pinochet is fading away... Would a victory of Bachelet imply a tilt to the left in Latin America, which Washington fears? Not completely, firstly because Bachelet represents continuity of an also socialist outgoing president, Ricardo Lagos, and secondly because Chile, with all its social inequalities, is still the 'best pupil' (perhaps, the only one) of the so-called Washington consensus in the region..."

- "The US believes (Chile) sets an example for the region"

Hugo Alconada Mon, Washington-based correspondent for daily-of-record "La Nacion," comments (01/15) "According to USG officials, diplomats and political and financial analysts, Chile is the exception; the lonely example in Latin America, which the US would be happy to see multiply all through the hemisphere..."

"A/S Tom Shannon and his staff do worry about other leaders in Latin American countries. First of all, they are concerned over Hugo Chavez, after him, Evo Morales and, to a lesser extent, about Peru, Ecuador, Nicaragua, Mexico, and, to a minimal extent, Argentina.

"According to a Republican source at the strategic US

Senate foreign Relations Committee, 'What we still cannot understand is why the rest of Latin America does not take Chile as a model of what should be done.' 'And it is not because Chileans play in favor of our interests - they voted against us at the UN Security Council on the invasion of Iraq, but they are predictable, and this is an asset.'"

### 13. EDITORIALS

- "The 'leash' policy had a break"

Business-financial "El Cronista" editorializes (01/16) "Start from scratch? Based on the visit of A/S Thomas Shannon to Buenos Aires, the US-Argentine political and economic relationship seems to have taken the road of rationality...

"... Obviously enough, intentions should be seen in the framework of the regional scenario. The Southern Cone, in which Washington seems to be finding hostility, is in political turmoil - made up of the well known confrontation between Bush and Chavez, Evo Morales taking over in Bolivia, the Peruvian and Chilean elections, and Brazil and Argentina's decision to pay off their debt to the IMF.

"Uruguay's intention to negotiate a FTD with the US is a clear sign that regional partners are not willing to abandon pragmatism beyond their center-left identification.

"Is Argentina in a position to disregard the important US markets, or the possibility of new investment? It is true that a prominent debate on the FTAA and farm subsidies was necessary, but Argentina should put aside its taste for the tribune and hold firm negotiations in the framework of a more constructive diplomacy."

- "And quiet flows the Shannon"

Liberal, English-language "Buenos Aires Herald" editorializes (01/15) "If the Washington State Department's new man for Latin America Tom Shannon has a much smoother style of public diplomacy than his predecessors Otto Reich and Roger Noriega, this is entirely apposite to current needs - the US is not out to antagonize Argentina with so much trouble brewing elsewhere in the region and the world at large. It is easy to scoff at the notion that Shannon's flying visit last Thursday was a success simply because he said so but in point of fact there was a clear will on both sides to make it a success...

"The mutual goodwill seems reflected in the third country chosen to costar in the agenda along with bilateral ties, almost by common consent - not Bolivia or Venezuela but normally peaceful Uruguay and its debate over a US trade alliance...

"But if Argentina cannot beat Uruguay's interest in the US, why not join it? Shannon left here impressed by three years of nine-percent growth, the twin fiscal and trade surpluses and the debt repayment to the IMF

earlier this month. Doubts continue about legal security... and the very fact of US interest in energy and infrastructural investments points to flaws in these areas but now seems as good a time as any to go wooing the US."

- "Responsible relations with the US"

Leading "Clarín" editorializes (01/15) "The

improvement of the US-Argentine relationship is a positive step that should pave the way for diplomacy oriented towards the defense of national interests while developed with practicality and responsibility.

"... In this framework, the country could play a moderating role that will contribute to shared regional interests and to building a relationship with the US that is based on mutual respect instead of strident rhetoric."

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GUTIERREZ